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accounts receivable system helps businesses ensure that their customers are paying. But it's not only about cash receipts, but also about the customers.

Mary Girsch-Bock • Mar. 22, 2017



If cashflow is the lifeblood of a business, then accounts receivable is the heart — ensuring that cash keeps flowing, while helping to manage core invoicing and collections activities. What can a good accounts receivable system do for your

client's business? What can it do for *your* firm? Unless a small business sells products

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possible, as well as payment history, payment type, discounts, how often they are in your late aging, and other data.

While accounts receivable is strictly about monies owed to the business, its effectiveness affects the entire operation, making it perhaps the most critical part of the business in terms of value and potential for disruption when things go wrong.

If customers or clients always pay on time, maybe a discount is in order. Or maybe you can use the temptation of a discount to help less timely customers pay earlier. That's an accounts receivable function.

What about the chronic late-payer? Go ahead and add a finance charge to their account. That's an accounts receivable function.

What about the customer who always returns something? That's an accounts receivable function.

I think you get the idea. While accounts receivable is all about receiving payments, it also helps business owners handle many related tasks, including payment application, credit memos, the ability to apply a single payment to multiple invoices, and the ability to better manage your cash flow.

In this issue, we looked at numerous accounts receivable systems, and a few products that support accounts receivable functionality. These products range from online accounting products that are suitable for small businesses, to those that work with enterprise level operations, to those designed strictly for professional accountants

While reviewing these applications, we chose to focus on the availability of numerous accounts receivable features, including the following:

- Customer information levels

- Customer credit limits

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#### Customer statements

- Integration with core product
- Integration with third-party applications
- Multi-currency
- Mobile access
- The ability to accept electronic payments
- Audit trail

The accompanying chart provides an at-a-glance look at whether a particular feature is available in the product noted. However, the availability of the feature does not automatically assume a higher or lower product rating simply because it does or does not offer that feature.

Mentioned earlier, the products in the review vary widely in functionality and their particular audience. The products included in the Accounts Receivable review include:

#### Accounting Software Applications:

- [Thomson Reuters Accounting CS](#) (for accounting professionals only)
- [Accounting Power](#) (for accounting professionals only)
- [Sage 50](#)
- [QuickBooks Online](#)
- [Xero](#)
- [Wave](#)
- [FreshBooks](#)
- [Kashoo](#)
- [Acumatica](#)
- [Intacct ERP](#)

#### Related Accounts Receivable apps:

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clients need the same functionality as the small business owner.

But ultimately, in order to be successful, all of these business owners will need to find a way to manage their accounts receivable properly. A solid accounts receivable system will help you do just that.

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